

FABIAN QUARTERLY

SUCCESSOR TO N F R B QUARTERLY

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FABIAN SOCIETY

11 Dartmouth Street SW1

FABIAN RESEARCH

Quarterly Report

HITLER'S ROUTE TO BAGDAD

This title has been selected for the book on South East Europe to be published by Allen & Unwin for the International Section of the Fabian Society, on September 12. Particulars of how members of the Society can obtain copies at reduced rates are being circulated—it is important to remember that this cannot be done later than 11 September, 1939.

One of the authors, Vandeleur Robinson, a member of the Balkan Committee, has contributed an article to this issue of the *Quarterly* on the general problems of the Balkans. It is hoped that this will interest readers in the book. Miss Barbara Ward, author of the chapter on Yugoslavia, has written a Nelson Discussion Book on the colonial problem entitled *The International Share-out*, while Miss Lilö Linke, joint author with Dr. D. E. Mende of the Turkish chapter, has produced a previous book on the subject under the title *Allah Dethroned*. Miss Clare Hollingworth, formerly a member of the staff of the League of Nations Union, is at present acting as representative in Poland of the British Committee for the relief of refugees from Czechoslovakia. The Hon. Barbara Buckmaster, who contributed the chapter on Rumania is the daughter of Lord Buckmaster, Lord Chancellor in Asquith's Government.

The thanks of the Society are due to these contributors, who have put an enormous amount of work into the book, and who have all endeavoured to visit their respective countries to collect the latest first-hand material. Thanks are also due to J. F. Horrabin for an excellent series of original maps. The book throws light on both the foreign policy and the internal affairs of the Balkan countries.

RESEARCH

The Executive Committee has appointed Richard Padley as full time Research Secretary to the Society. Padley is a B.Com. of Birmingham University, won the Gladstone Memorial Prize in Economics in 1938, and has been acting as official research worker for the Light Metals Committee of the Council for Art and Industry. He is a former secretary of the Birmingham University Labour Club. His appointment takes effect as from July 1.

Charles Smith is now concluding his year's work on Food Policy, and Polly Hill her report on the Social Services. The former will be considered for publication as a book, while the latter is likely to appear in pamphlet form. Pamphlets are being prepared on the Unemployment Services and on the Health Services. In connection with the latter, thanks are due to Miss R. Beach Thomas and an Oxford Committee for an excellent series of reports on National Health Insurance,

the School Medical Service, the Tuberculosis Service and Maternity and Child Welfare. C. P. Mayhew's work on Financial Organisation continues until December.

INTERNATIONAL SECTION

Having completed the book on South East Europe, this Section will shortly be planning a further programme of work. Research is at present in hand on Colonial Facts and Figures, Mexico, Poland, Union of South Africa and Colonial Trusteeship. A report has been received on Indian Foreign Trade.

Labour in the West Indies, by W. Arthur Lewis, recently published as a pamphlet, has aroused considerable interest, and a large number of copies have been ordered from the islands as well as in this country.

LOCAL GOVERNMENT SECTION

As a result of the Conference on *The Problem of Greater London*, held in May, an extensive plan of research into the structure of local government in the London area has been prepared. Reports are being collected on the administration of each of the main services, discussing the present system from the point of view of efficiency, coordination, democratic control, etc. It is hoped in addition to collect information on the administration of similar services by various types of authority outside London for purposes of comparison.

A large number of people are required to assist in collecting this material, and offers of help from members and friends would be welcomed by the office.

Other work is proceeding on Community Centres, London's Open Spaces, Local Government Finance, Public Relations, etc. The revised edition of Geoffrey Wilson's pamphlet on *Rent Rebates*, now published, is selling widely among local councillors and officials. A report on Scottish Local Government is being prepared for the Fabian Local Government series.

MISCELLANEOUS

Work in hand or contemplated in the near future includes books on Government Control of Business, and Russia's Value as an Ally, pamphlets on Voluntary Hospitals, Propaganda, Civil Liberty, etc. Memoranda in the office on Police Reform, the Work of the Popular Front in France, the Chemical Industry and Distribution, are being prepared for publication. We should be glad to receive offers of help or suggestions for further research.

The General Secretary will be glad to supply further information on the research and other activities of the Fabian Society to anyone applying to the office at 11 Dartmouth Street, S.W.1 (Whitehall 3077). Correspondence concerning the *Quarterly* should be sent to the Editor, H. D. Hughes, at the same address.

THE ECONOMICS OF NEAR-WAR

R. W. B. Clarke'

Mr. Chamberlain has announced that we are neither at peace nor at war, and most people will agree with him. At best, we are in a position in which only the maximum preparedness for war will dissuade Hitler from making it: at worst, war is inevitable, and the present period is one of hectic preparation. In either case, our entire public policy must be dominated by military considerations. The first criterion which must be applied to any policy is, How does it affect our war potential? The normal peace-time criteria simply are not applicable to the present situation. That such a state of affairs should have come to pass is appalling. The electorate should be told, day in and day out, where the responsibility rests for its coming. For seven years the Labour Party has been correctly predicting the results of the Government's foreign policy, and in the last six months the position has been reached which the Party foresaw years in advance. But the fact that the parties of the Left and the more far-sighted politicians of the Right saw this state of affairs coming does not alter the fact that it has come. Those of us who have been most disgusted with the succession of inefficiencies and betrayals cannot dissociate ourselves from the present position. Whether we like it or whether we don't, the position is one of near-war, and we must agree that nothing less than the maximum preparedness will suffice. Such preparedness may prevent war: if war is inevitable it can prevent Britain from being knocked out by a lightning blow.

A LEFT INITIATIVE

For the parties of the Left, the implications of this are tremendously far-reaching. To adopt a negative policy of opposition to the measures of preparedness is both politically suicidal and objectively wrong. To 'sink our differences' with the 'National' Government and form a united front with Mr. Chamberlain would be equally futile: to express confidence in Mr. Chamberlain when manifestly no confidence can exist after his behaviour in the past would be to sacrifice both the rights and the duties of the Opposition. What is required is a powerful initiative for preparedness measures

¹R. W. B. Clarke is author of the chapter on 'Industry' in *Democratic Sweden* published by Allen & Unwin for N.F.R.B.

from the Left. The Left, so to speak, should be a step ahead of the Government — which in these matters is much too tender towards private interests to be efficient, and is much too remote from public opinion to be popular. The attitude towards preparedness should be similar to the attitude towards, say, unemployment benefit. The Government should be being pressed all the time. Moreover, every opportunity should be taken to draw the socialist moral, to push far-reaching measures of planning and public control, to demand equalisation of the sacrifices which must be made and to stress the need for social equality as part of the maximising of war potential. If capitalism will not work in peace-time, it assuredly will not work in war-time. Far-reaching measures of socialisation and equality are needed in order to maximise the nation's fighting power. The Left, indeed, has a tremendously powerful case. Not only can it point, time after time, to the mistakes of the Government and the Government's incompetence. It can also expound positive and constructive policy which is actually far more efficient and far more practical as a means of securing the end which the Government says it seeks to attain than the Government's own policy could possibly be. Never has there been a time when the need for socialistic measures was greater than it is now.

The object of this article is to discuss some of the economic implications of a near-war situation, and to consider the measures of preparedness which should be taken on the economic front. On the assumption that it is necessary to prepare as fast as possible, and as cheaply as possible, what economic and industrial policy should the Government follow? There are two major technical problems. The first is to utilise our resources to the full. The second is to distribute those resources in the most effective way for this particular purpose. The first, basically, is the problem of unemployment once again. The second is the problem of checking the satisfaction of civil needs where they interfere with military needs—in wartime, of course, this includes the restriction of civil consumption in order to liberate men and machinery for the munitions factories, and in near-war it primarily means the restriction of consumption of certain goods which compete for the labour and materials which are needed for rearmament. Implicit in this, of course, is taxation policy—for taxation in essence is nothing more than a curtailment of people's ability to consume some things in order that the resources shall be freed to produce others which in the Government's opinion are greater social needs.

UTILISATION OF RESOURCES

The general lines of the solution to the first problem

are simple. If the Government's policy is expansionist enough—if it keeps the Budget heavily unbalanced, and if it adopts an expansionist monetary policy, then the unemployed will be re-employed. That, of course, is actually happening now. In the last four months, since the arms programme speeded up effectively and the Government began to finance its programme by borrowing on a large scale, there has been a tremendous reduction in unemployment, and all the signs point to a continuation of this process during the next few months. There is expansion in the armament industries themselves, of course, as a result of the borrowing, and there is a corresponding expansion in the consumers'-goods industries—the Sheffield arms worker, re-employed or receiving more money for overtime, spends more on household necessities, increasing the demand for bakers, brewers and clothing workers, transport workers and distributive workers. On the present level of Government borrowing, it may be regarded as certain that all unemployed workers—except those who are 'structural,' 'seasonal' or 'intermittent' unemployed—will be re-absorbed by this time a year hence. It is likely, indeed, that the point of effective full employment will come rather earlier, especially as henceforth 100,000 conscripts will be removed from industry at any given time. The facts suggest that by September of this year, nearly all the unemployed will have been absorbed. The level of unemployment is not likely then to be more than 1,000,000, and it may be lower.

THE HARD CORE

A level of 1,000,000 unemployed, however, should not satisfy us. That is probably the lowest level which can easily be reached without planning of any kind. The difficulties involved in reducing unemployment below that figure are considerable. The unemployed are in industries for whose products there is insufficient demand now and for which there is not likely to be an increase in demand on a sufficient scale to employ them. Industrially, the distribution of unemployment is uneven. There are a handful of industries—mostly those connected with the arms programme, such as motor, cycle and aircraft, scientific and photographic instruments, explosives, for example—in which unemployment is now less than 5%. There are a substantial number of industries in which the proportion is between 5 and 10%. The majority of industries have percentages between 10 and 20%. And there are a few—such as shipbuilding, docks, public works contracting—in which unemployment is still very high. After a certain point of general recovery has been reached—say a national average of 8%—there is no effective room for further

reduction in unemployment except in certain special industries which may not be required. Similarly, the distribution of unemployment between districts is very uneven. In the distressed areas, unemployment is falling, but it is still a long way from becoming 'normal.' Unless positive steps are taken to transfer these workers from special industries and special areas to places and industries in which workers are required, the possibility of a further substantial reduction in unemployment is very small. In peace-time, we may conceivably be able to afford this waste. But in war and near-war we certainly cannot. At a net output of £250 per head per year, the existence of 1,000,000 unemployed means a loss to the nation of £250,000,000 worth of commodities. The planned output of aeroplanes, warships, arms, munitions, tanks, Army lorries, and mechanical equipment for the Armed forces of all kinds for the current year is only £265,000,000. This is a simple example of the power to produce which we are allowing to run to waste.

TRAINING

The 'National' Government has done very little to tackle any of these questions. It has boded at some of them—a little money for S.A.R.A., a few desultory training schemes, a grant here and a grant there. It has spent very little on the problem, and has got very little value for the money it has spent. If it cost £1,000 capital to re-train every man, it would obviously be well worth-while to do so. A 25% per annum return to the community would appear to be generous enough. The trouble is, of course, that it is not worth the individual employer's while to train men—the biggest companies have their own training schemes, to train their own most skilled workers. But that is not enough at the present time. It is abundantly clear that there is a shortage of skilled metal workers—which even now, before the arms programme reaches its peak, is resulting in employers trying to bribe workers away from other employers, with consequent chaos. The sensible plan would clearly be to train metal workers on a large scale. If there is war, then the existence of these trained metal workers might well be a decisive factor. In near-war, the training would enable the arms programme to be expanding without causing bottlenecks and inflationary developments. If there is no war, then it is difficult to see how we should be any worse off for having trained instead of untrained workers available for the solution of the industrial problems of peace.

There is, of course, the trade union difficulty. The trade unions, properly enough, have the profoundest objection to widespread training of new workers in their trades. They

would undoubtedly view such a move as an attack upon their standards, and coming from this Government an attack it would probably be. But nevertheless that is no real reason why it should be rejected. It would be necessary to ask the unions what safeguards they required, and to accede to them as far as was practicable. It might be possible to give contracts for long-term employment—to detail schemes requiring high engineering activity which would be put into force after the expansion period. It might be possible for the Government to guarantee that it would remove these workers from industry after the emergency and compensate them—in very much the same way as the Government, in its contracts with the aircraft industry, guarantees to pay compensation for new 'expansion' plant which would become redundant after the expansion was over. In this question of expanding the number of skilled metal workers, again, it is unwise for the Left to adopt a purely negative policy. It is obviously right to ask for industrial safeguards for the post-expansion period, just as industrialists are receiving safeguards for the post-expansion period. It would tactically, with this Government, probably be sensible to ask for precisely the same post-expansion safeguards as are granted to the employers. But it would be unwise to try to prevent an expansion of the number of engineering workers at the present stage.

DISTRIBUTION OF RESOURCES

So much for the utilisation of labour resources to the full. There should be at the same time measures to ensure the better utilisation of labour resources, factory by factory. There is every reason for believing that large sections of British industry are inefficient in the negative sense that they are not positively efficient. They do not use the full possibilities for increasing output per worker—not by greater intensity of workers' effort but by better organisation. It is not easy to see how this could be achieved. In socialised industry, useful results would probably be secured by joint factory committees between the union and the management. Much could be gained, too, by better publicity between firms. If the best firm in each industry could be taken as a model, other firms' performance would become levelled up. This is one of the points at which the competitive system is most lacking: if one man gets an idea about costing or management, it is against his interests to pass it on. It is one of the strong points, at the present time, for nationalisation of aircraft factories.

The second group of problems is the effective distribution of our resources. How can we maximise arms output. How can we reduce those forms of civil activity which compete with

the arms programme? How should the arms programme be financed? The answer to these questions can be found only in terms of planning. No longer can any solution to the problems of the national economy be found in terms of profit. Given certain assumptions—few of which in any case have any real application in the conditions of the 1930's—the national income is maximised, and the needs, measured in terms of money satisfactions, are satisfied to the greatest extent if resources are left free to distribute themselves in such a way that the return to each—labour or capital—is maximised. But now the needs are vastly different. They have nothing to do with money returns. First we need sufficient arms. Second we need sufficient food for the people. Third we need other civil necessities. Fourth, we need what luxuries we can afford. Just because people have sufficient money to buy private aeroplanes, say, we cannot afford to allow them to use the industrial resources in order that they may be produced. Resources are very scarce, and we cannot afford to have them used in ways which do not contribute towards the satisfaction of the basic needs of the community. There is no way to distribute the resources to make sure that those basic needs are satisfied except the way of planning.

CONTROL OF PROFITS

Almost at once, indeed, when we begin to consider the problem of expanding arms output, we run into the intrinsic difficulties of our present economic system. If we want private manufacturers to produce as fast as they can, we obviously have to bribe them to do so. If profits are restricted to a very small percentage on capital or turnover, the incentive to produce is restricted too. If that is not so, indeed, then the mainspring of and justification for capitalism simply does not exist. In actual practice it has been discovered by the Air Ministry that it is so. If the Government interferes too closely, output does not increase as fast as it would otherwise have done. There is no blame attaching to the manufacturers for this: they are not philanthropists. Moreover, too close interference by the Air Ministry does actually occupy executives' time which should be spent in increasing production. This, therefore, is the basic dilemma. Analysis of the aircraft companies' profits suggests that even in the year to 30 June, 1938—current production has probably trebled since then—the companies made a net profit of 13.4% on their capital, and the sub-contractors, whose profits are less carefully controlled, made substantially more. It is not at all easy to see how this position can be remedied, and production maximised without creation of large profits. The only solution appears to be to make the Government the effective producer of air-

craft, to employ the executive personnel at salaries which would satisfy them, and to announce that a fixed dividend would be paid to shareholders. At the beginning of an expansion programme, such a policy would be of tremendous economy in the long run. Even at the present stage it might be worthwhile, especially if we believed that production would have to rise much farther. For in production, when the very conditions of the problem require that there should be no secrecy between firms, and when it is overwhelmingly necessary for the maximum standardisation and simplification to be carried on, there is little case for competition. For research, much is already standardised, and most is financed by the Government.

For cheap and speedy arming, indeed, nationalised factories are really most effective. The tendency is for the factories to become Government-owned to an increasing extent. In a year's time, probably one half of the aircraft capacity will be in effect Government-owned—through the shadow factories, and through the extensions to private contractors' factories which are built with Government money or are guaranteed against redundancy by the Government. There is no reason whatever why the sphere of direct Government ownership should not be expanded—and it would save the Treasury from having to pay out profits. Now the Government has to take all the bad risks. The plants which it owns are those which will have to be closed down when the expansion is over. There is no real reason why the Government should not have the good risks as well.

SUPPLY

Of great importance also is the supply of materials. Here the specific need occurs for preventing the cost of materials from sky-rocketing upwards because of the competition of private industry. The Government proposes to begin to do that by the appointment of a Ministry of Supply, with powers to force industrialists to give priority to defence contracts. If a machine tool maker, for example, receives an order from the Royal Ordnance Factories for a set of tools, he will have to give that order priority. That is sensible enough, although so far the activities of the Ministry will be concerned with War Office orders only, and not with Admiralty or Air Ministry. These departments will still to a greater or less extent compete against one another for resources. Presumably there will be some co-operation between the Ministries—the Government talks about a Ministerial Priority Committee. But it is difficult to see how such co-operation can be anything like as effective as an all-embracing Minister of Supply would be. Departmental jealousy being what it is, it is hard to believe that the Ministry

of Supply will have at its disposal all information from the Air Ministry and the Admiralty that it would need for the proper working of a priority plan.

In any event, this is not enough. It is right to say that defence orders must have priority. But surely there should be some priorities as between various civil uses. It is clear that the Air Ministry, as consumer of structural steel for aerodromes, or the War Office, as consumer of timber for camp building, should have precedence over the people who want steel and timber for luxury flats. But is it not equally clear that if the L.C.C. is building a hospital, its steel requirements should rank prior to those of the builders of luxury flats? This suggests straight away a far-reaching control over steel and timber, over and above the existing machinery of the Ministry of Supply. The fact is, indeed, that there are commodities which are equally as necessary as arms, and if the new Ministry of Supply procedure is right for one type of demand, it is right for others. The logical conclusion from this would appear to be that the principal materials which enter into armament supply and the supply of major and universal civil needs should be rationed among the various users. It is much simpler for the Government to run these industries itself than it is to interfere in the hundred-and-one different ways which the logic of the situation demands. What is required, indeed, is a substantial extension of Government ownership—which would make tremendous economics in the machinery of control—and an even more substantial extension of Government planning over the widest field of industry.

In the meantime, it is necessary that these luxury uses of important materials should be prevented, and the simplest way to do that is by the imposition of excise duties. When Sir John Simon put his tax on motor-cars, it was thought that he was doing this for that right reason. The production of motor-cars uses exactly the metals and the labour which are needed for the aircraft industry, and to damp the industry down by increasing the horse-power tax was an obviously sensible measure. Actually, it appears that Sir John had quite different motives—nothing like as good ones—but nevertheless the increase is sensible. Similar duties should probably be levelled on a tremendous range of metal products, and also, perhaps on the use of such metals as steel for non-essential purposes. Fortunately, the sort of things which the rich consume are precisely the things which compete with the rearmament programme, and so the imposition of duties kills two birds with one stone.

THE STATE AND INDUSTRY

This sort of policy—maximising resources and making

sure that they are properly used for rearmament and for war-time essentials—evidently involves a tremendous increase in the power of the Government to intervene in industry—and to some extent with labour. The parties of the Left have never had much doubt about the desirability of that. If the socialisation end of the Labour Party programme means anything at all, it means an extension of the government's economic power. At the same time, there will obviously be considerable reluctance to accept a policy of urging the 'National' Government to interfere more. The Government has plain Fascist tendencies, and it may well be felt that there would be danger in increasing its power to intervene in the economic field. This danger certainly exists. At the same time, however, there is a difference in kind between interference with industrialists' rights to produce what they think fit and interference with citizens' ultimate rights. With industrialists' rights we need not be too greatly concerned, for they are assuredly able to look after themselves. And the defence of citizens' rights is best assured by the existence of a powerful and popular movement of the Left throughout the country, and by constructive and consistent Opposition policy in the House of Commons. The present position shouts aloud for planning, and the Left has always been the advocate of planning. The time is ripe to demand more of it, and to demand it loudly.

THE GOVERNMENT AND THE FARMERS

Charles Smith¹

The variety of expedients used has been claimed by government spokesmen as the peculiar glory of their agricultural policy. An elaborate marketing scheme for milk has been set up administered by the representatives of registered producers; a bacon scheme has developed basen on a guaranteed price for the farmer and a guaranteed margin for the curer; a commission has secured a price of ten shillings a cwt. for wheat from funds raised by a levy on every sack of flour used; a livestock commission has been set up and a subsidy granted for fat cattle; a restriction scheme has been devised for hops; the acreage of potatoes has been limited and their marketing regulated; and the sugar beet scheme revised so that the farmers negotiate, under government auspices, a price with the factories who themselves have their profits guaranteed by the Treasury. In addition to these measures to deal directly with separate commodities the government has given a subsidy for fertiliser and has limited imports either by tariff or by a scheme of quantitative regulation.

Yet this varied programme has not secured for the government the unquestioned allegiance of the farmers. Last autumn, W. S. Morrison was howled down by an audience of three thousand farmers—surely a unique experience for a Conservative Minister of Agriculture; and throughout the winter, branches of the National Farmers' Union have been discussing the withdrawal of support from government candidates, the running of independents and the sympathetic consideration of the policies of the opposition parties. Such a situation was extremely dangerous for the Conservative party; for although it feels that it can perhaps rely on Birmingham and has a sporting chance of winning some industrial seats, the Party is well aware that for the mass of supporters in the House of Commons it must rely on the country district. While in Sweden, New Zealand, France, Russia and other countries, the country people and the industrial workers have co-operated politically, and in the United States plans for a third party can realistically be laid upon a Farmer Labour basis, in Britain the allegiance of the farmers to the Conservative Party has remained hitherto unchallenged. This

¹ Charles Smith is concluding a year's work on *Food Policy* as a Research Assistant of the New Fabian Research Bureau.

electoral importance of the farmers is the explanation of attention given to the complaints of the farmers, compared, for example, with that given to the complaints of the unemployed. It is also the background of the problem which agricultural policy now presents for Conservatism.

The grounds of the farmers' complaints are not hard to see. According to the Ministry of Agriculture index of prices received by farmers for their produce, these prices stood in 1938 at $87\frac{1}{2}$ (the base was the average of 1927 to 1929 reckoned as 100) and the government's direct subsidies had the effect of raising the returns only by $2\frac{1}{2}$ points—to 90.

Wages have risen, and purchased feeding stuffs, now more important for farming, have greatly increased in price over the last five years. In the eastern counties where conditions are worst, a recent survey of 200 farms showed 65 with losses, and only 38 with 'good profits' in 1938.

What are the elements of the problem of policy as they present themselves to the Conservatives? Since the War the productivity of labour in agriculture has been rising fast. As arable land has been laid down to pasture, as new systems of dairying have spread, as mechanisation has increased, the demand for labour has slackened. Since 1931, it is calculated the output of British agriculture has increased by 17% and the labour employed has decreased by 6%. There should go along with technical improvements a considerable expansion in the output and a lowering of retail prices.

Ever since the Industrial Revolution there has been an agricultural problem; and the balance of agriculture has changed in response to changing conditions. First the emphasis changed from wheat to livestock then, as imported meat could be brought in refrigerated stores, the difficulties of British agriculture could be solved only by an increasing concentration on high quality meat (for a market which was necessarily comparatively limited) and on such commodities as milk, vegetables and fruit which had to be got fresh to the consumer. Throughout the nineteenth century the decay of agriculture predicted by the protectionists failed to come about because industry was expanding and the market for home agricultural produce in the towns was expanding with it.

This situation no longer exists. While purchasing power—as measured by the share of the national income paid out in wages and salaries plus payments made to the unemployed—did not increase during the depression period—rather the reverse—distributive services and costs which add to the retail price have multiplied fast. Farmers have not been slow to notice the prosperous conditions of the distributing

and processing concerns which handle their produce. The average retail margin on liquid milk has increased steadily since the milk marketing scheme was introduced; the dividends of the firms producing cheeses have been fantastic; the head of a firm of bacon curers—a private company—recently left half a million pounds; and a similar story can be told of the firms selling fertilisers and feeding stuffs.

With distribution increasingly expensive and the market for agricultural products growing much less rapidly than in the past—if at all—difficulties were bound to arise for agriculture. The rate at which the number of workers engaged on the land is diminishing is an indication of this.

Perhaps the first remedy which suggests itself to the farmers is more restriction of imports; for a generation Conservative propagandists have taught them to turn their eyes in that direction. But that course the Conservatives are no longer willing to take; not because it would raise the cost of living, but for reasons which are set out with great clarity in the first chapter of the recent book *British Agriculture—the Principles of Future Policy*, by Viscount Astor and Seeböhm Rowntree.

From the economic standpoint it has become clear that though imports and exports need not exactly balance they can diverge only to the extent to which international lending or borrowing takes place and that the action between them is essentially reciprocal. This relationship has been emphasised by the trade agreements which have been made between many different countries in recent years. The British trade agreements have been mainly with agricultural countries overseas; and their broad effect is to safeguard these countries against the danger of further restrictions on their sales to the British market in return for concessions of material benefit to the British exporting industries. Export trade remains so important an element in British economic life as to make it extremely improbable that any government would be willing to reverse the policy which these agreements embody. It has become clear moreover that other British interests besides those of the exporting industries are bound up with the maintenance of close and friendly relations with the agricultural countries overseas. These countries include the British Dominions, whose interests we are bound to treat in a considerate manner. They include South American countries, in the development of which large sums of British capital have been invested. They include the Scandinavian countries, so akin to us in race, political tradition, institutions and ideas, which are coming to occupy the position of outposts of constitutional government in a totalitarian Europe. They include the United States

Nothing could be more unfortunate, nothing in the long run would be more prejudicial to the interests of farmers, than the development of a situation in which their sectional interests were placed in sharp conflict with both the material interests of the community as a whole, and the central objectives of national policy.

This however is not merely a case for refusing, in the interests of the investor and the industrialists, to clap on a tariff. It is a case for discouraging any increased production

on the part of home agriculture since this, with a limited market, must restrict imports of food. Hence there is no room in the view of the most influential and leading sections of the Conservative Party for a more efficient and productive agriculture.

Is there a way out of this dilemma for the Conservative Party ? There is nothing in the past policy of the Party to suggest that it will reduce distributive costs if this means limiting the activities of such large and influential concerns as United Dairies, the milling firms, the sugar refiners and the others who are securing large profits from the trade in food-stuffs. The tendency of the Milk Marketing Scheme, for example, despite its representation of producers, has been to safeguard the position of the large distributors and to increase the retail margin.

There is in fact no way out for the government but subsidy. These grants are not related to any long term scheme for modernising agricultural buildings and machinery—for the increased production which would result is the last thing the government wants. Subsidies however are not popular with anyone except the farmers. Hence they will be paid only as a result of persistent pressure ; and wherever possible the cost will be laid not on the Exchequer but direct on the consumer. The Wheat scheme is illuminating. Even to-day wheat accounts for no more than 3 % of the gross value of British agricultural output ; but the growing of it has been generously encouraged under a government scheme by means of a levy on flour (and so on bread).

Large sums of money however are involved. The aggregate value of the produce of British agriculture is some £260,000,000 a year, so that if the condition of the industry is to be kept moderately healthy by grants of money, these grants will have to be large. They will have to be larger perhaps than the government is willing to find. Hence the history of farming policy over the last few years has been of pressure politics of a not very edifying kind.

The crisis in this history came last year ; the centres of discontent were the areas dependent on barley. In August came Chamberlain's speech at Kettering. This by its tone and phraseology suggested that British agriculture had little or no part to play in the event of war. The President of the National Farmers' Union told the Council of his organisation that this speech had 'had the effect of shocking the farmers' confidence to the very foundation.' The Prime Minister had later tried to soothe Conservative M.P.s and their rural constituents by the use of the usual formula—'the restoration of agriculture to its rightful place in the national economy,' a

phrase which has a rather different meaning for the City of London from that which has for the farmers. The President of the N.F.U. urged his Council to accept these statements 'to mean exactly what they said on the distinct understanding that the only test of their sincerity which the Union could ever recognise was their speedy fulfilment.'

Discontent continued to be shown however and found expression in the New Year in the proposal to run an independent in the East Norfolk by-election. This candidate, a local farmers' leader, withdrew after Chamberlain had promised a reconsideration of farming policy. It so happened that the N.F.U. was holding its Annual Meeting in London on the day of the withdrawal, and the President in a statement on the by-election declared that Jimmie Wright 'had probably won as fine a victory as if he had been nominated and had been victorious at the polls.' That Annual Meeting gives a useful indication of the temper of the farmers. Mobbs, the Suffolk leader, for example, warned the delegates not to be gulled by the promise of conferences with the Minister of Agriculture and said that if they were not careful they would find that they went on conferring until after the next General Election.

The government poll in that by-election was significantly low; and the success of the Independent progressive at Bridgewater some months before was generally said to be in part due to dissatisfaction with the government's agricultural policy. The National Farmers' Union had published, after Kettering speech, a statement of policy based upon schemes of price insurance for the principal commodities.

The bold stroke on which the government determined to regain the farmers' confidence cheaply, was to replace the scapegoat Morrison by Dorman Smith, himself a farmers' leader. He has announced subsidies for sheep, barley and oats, a new Poultry Bill and a ploughing up subsidy of £2 per acre on a quarter of a million acres. The first enthusiasm with which the new Minister was greeted has already begun to wane and his appointment has not resolved the basic difficulty in which the Conservative Party finds itself in dealing with agriculture. The N.F.U. is finding itself involved in the government's difficulties and criticism is being offered of it as of the government. Thus the Secretary of the N.F.U. and the Minister both interpret price insurance to mean 'putting a bottom in the market,' while many of the rank and file understand by the phrase 'a guaranteed price based on costs of production plus a reasonable profit.'

¹This came out particularly at a recent meeting of the Suffolk N.F.U., where it was declared that the General Secretary of the Union had previously sent a letter taking the latter view of the proposal and had now retreated from that. There has been criticism of the Secretary, too, for an article he wrote which was construed as subordinating price insurance altogether in emphasising quantitative limitation of imports.

The conclusions which emerge from even so brief a consideration of the situation are clear. Only by relating agricultural policy to the need for a much larger food supply now, in peace time, to supply the deficiencies in diet exposed by such experts as Orr can the problem be solved. The farmers interests have been too long set in opposition to those of the consumers; whereas now the restoration of farming depends upon that expansion of home production which all experts agree is possible provided the market is available and which is indeed essential if the technical advances in agriculture are to be fully used. This will depend upon increased purchasing power for the masses of the people; once this is secured such money as the government grants for agriculture can be used for improving the machinery and buildings and for eradicating animal disease so that more food may be produced, if necessary for use in war, but primarily for feeding the people and improving their physique in time of peace.

PROBLEMS OF THE BALKANS

Vandeleur Robinson¹

Before the Great War, the Balkans were the most dangerous storm-centre of Europe. The rivalries of the Great Powers were focussed upon South-Eastern Europe, and a general war seemed likely to spring at any time, as it eventually did, from events in that area. After the War, the Balkan countries seemed to be settling down to make what they could of independence and enlarged territories. But European interest in the South East began to revive when the German seizure of Austria brought the frontiers of the Reich up to those of Yugoslavia. Since that date, the problems of the Balkans have become increasingly important; little more than a year after the Anschluss, we have Albania conquered by Italy, Yugoslavia encircled by the Axis Powers, Turkey, Rumania and Greece guaranteed by Great Britain and France, and a frenzied rushing hither and thither of Balkan politicians in an attempt to clear up a confused situation and mark out a safe course for their respective countries.

GENERAL PROBLEMS

This article attempts to make a general survey, within a short compass, of the political problems common to the Balkan countries as a whole. The whole strip of Central and Eastern Europe from Bohemia to the Black Sea and from the Baltic to the Mediterranean presents certain common features; and in the little group of South-Eastern States (Rumania, Bulgaria, Yugoslavia, Greece and Turkey—until recently Albania also) there are certain common problems which invite a general solution. I shall first attempt to state the nature of these problems, as they appear to me.

- 1 The first is of an immediate nature; how can we save the Balkan States from becoming vassals, or even colonies, of Germany and Italy?
- 2 The second is also of immediate importance, with reference to the consolidation of these States in face of a common danger: what revision of existing frontiers, if any, would best conduce to harmony among the Balkan States?

The remaining questions bear rather upon the long-term future of the Balkans.

¹ Vandeleur Robinson is a member of the Balkan Committee and the author of the chapter on Greece in *Hitler's Route to Madrid*, shortly to be published for the International Section of the Fabian Society.

- 3 How can racial and linguistic minorities be assured of a satisfactory life, while dwelling amid alien communities, and how at the same time can majority peoples be safeguarded against separatist tendencies on the part of minorities?
- 4 How can small States, whose territories correspond roughly with the homelands of their respective nationalities, maintain simultaneously the independence necessary to conduct their own national life, and security from despoilation of their territory or of their independence by their larger neighbours?
- 5 In view of the special difficulties experienced in the working of democracy in South-Eastern Europe, what degree of democratic liberty and genuine representative government can the Balkan countries be enabled to enjoy, without the sacrifice of the necessary governmental efficiency?

PRESERVATION FROM GERMAN AND ITALIAN AGGRESSION

Germany has achieved a preponderant place in the import and export trade of every Balkan State except Albania. This predominance is largely the result of natural factors, but has been greatly increased by the use of special expedients. Germany offers a favourable market to countries which find difficulty in disposing of their exportable produce, but pays not in free currency but in German goods, which only partly meet the needs of the States which receive them. The result is that Germany threatens to obtain an economic monopoly in the Balkans, and this is not desired by the Balkan peoples. Further, she seeks to use her position to attach these States to Nazi policies, in regard both to their external orientation and their internal administration. Thus, trade leads to monopoly, monopoly to both economic exploitation and political domination; and the bright fly of a secure market hardly conceals the barbed hook of loss of national independence.

Yugoslavia. Politically, the most exposed of the Balkan countries at present is Yugoslavia. She has a common frontier with Germany, with German-dominated Hungary, and with Italian-occupied Albania. Both Hungary and Albania have revisionist claims against her. Meanwhile, she cannot pursue an independent foreign policy while the dispute between the Serbs and Croats remain unsettled, and the very State itself is liable to sudden and violent disruption. Conversations between Cvetkovic and Macek seem to have produced a measure of agreement; but the intervention of the Prince Regent on one side and the Croat extremists on the other has led to rumours

of the total break-down of the negotiations. Yugoslavia's Balkan Entente partners watch with anxiety Prince Paul's visits to Rome and Berlin; while the Serbian people resent any alignment with the Axis, the Government balances between Italy and Germany. One can only describe the situation as highly unstable.

Rumania Another of the partners in the Balkan Entente is somewhat similarly threatened. Rumania, fortified by a British and French guarantee, and by some degree of British economic assistance, is gradually resigning herself to the need for accepting Russian support. Friendship with Russia was the policy of Titulescu, which brought about his downfall; but in those days the international situation was nothing like so desperate as it is now. Germany seeks to dominate Rumania by way, first of all, of her economic agreement. She may bid for the control of Rumanian oil resources and of a route to the Russian Ukraine through the expedient of sponsoring the revisionist claims of German-patronised Hungary. Rumania can only resist this with external support.

Turkey The most resolutely anti-Axis of the Balkan States is Turkey, perhaps because she is best-armed, the most ethnically homogeneous, and the most easily defensible. Her interests and policy are in close harmony with those of Great Britain, France and Russia. Her goodwill in case of war is all-important to us, by reason of her control of the Narrow Straits.

Greece However Germanophil the sentiments of General Metaxas, Greece cannot range herself against the mistress of the Mediterranean, and that mistress is still Great Britain. Moreover, Great Britain is likely to remain mistress of the Mediterranean, in spite of casualties inflicted by submarines and aircraft. Fascist Italy, however similar to the present Greek Government in ideology, cannot but be regarded by Greece as a highly menacing neighbour. The Fascist era was inaugurated by the bombardment of Corfu. A little later Rhodes and the Dodecanese, Greek-inhabited islands, were finally annexed by Italy. Only last April Italy supplied herself with a land frontier against Greece by her military occupation of Albania. There are rumours of an Italian project to set up an autonomous Macedonia, formed from territories taken from Greece as well as from Yugoslavia and Bulgaria, and of a military drive down the Vardar to Salonika, the second city of Greece. It would seem, therefore, that whatever the sentiments of King or Dictator, circumstances compel the thankful acceptance of British support. Friendship with this country well accords with the traditions and sentiments of the Greek people.

Bulgaria Of all the Balkan States, Bulgaria is the only one which might reasonably be expected to view with hope, even, though mixed with anxiety, the prospect of strong German and Italian pressure upon her neighbours. Against three of those neighbours she has revisionist claims; moreover, the Bulgarian Queen is an Italian Princess. However, the Bulgarian Government has studiously refrained from advancing her claims in any blackmailing or menacing manner, and has even gone so far towards accommodation with her neighbours as to sign in July, 1938, the Pact of Salonika, which was a pact of friendship between herself and the four members of the Balkan Entente.

ASSISTANCE FROM THE WEST

Any or all of the Balkan States may take courage and stand up to German or Italian demands, provided that there is a sufficiently good prospect of getting away with it. But the goodness or otherwise of this prospect depends upon two factors: first, a fair degree of unity among the Balkan States themselves, such as might be achieved if Bulgaria's revisionist claims were at least partly satisfied, and she were to feel able to join the Balkan Entente; secondly, the possibility of absolutely relying upon armed assistance from the Western Powers and from Russia. Such support involves that the Balkan States put in their pockets their distrust of Russia as a nation and of Communism as an infectious disease; it depends also upon the resolution and promptitude of Britain and France in keeping control of the Mediterranean and sending arms and armed forces to Salonika for operations in Macedonia, and to the Black Sea for the support of Rumania, and if necessary, of Poland.

Apart from the question of military resistance to any demands that Germany or Italy might make, and which would endanger the integrity or independence of the Balkan States, there is still the question of economic independence. For economic independence, the Balkan States must have supplies of free exchange, and this factor in its turn depends upon their ability to find purchasers for their goods, other than the non-free-exchange countries. This may involve considerable political buying by this country; special efforts to buy Balkan tobacco; the trade facilities and credits which Sir Frederick Leith-Ross is offering in the Balkans at the present time are an earnest of our good intentions.

Apart from guarantees to defend the Balkan States if they are attacked, the only method of stabilising the situation while Germany and Italy continue their present policies is to negotiate some sort of Balkan Locarno, together with a triangular trade arrangement by which Germany could obtain

Balkan products, and the Balkan States the necessary free exchange. I do not propose, however, to elaborate this aspect in the short space of this article.

REVISION OF FRONTIERS

It is impossible in a short article to deal in detail with the numerous territorial claims made against the various Balkan States by their neighbours. I propose to mention only the two most important at the present time, that of Bulgaria against Greece for an outlet to the Aegean, and that of the same country against Rumania for the return of S. Dobruja. If these could be peacefully adjusted, it would be a great gain to Balkan solidarity both in the present immediate danger and in facilitating the creation of a permanent peaceful organisation among these States.

Bulgaria lost the territorial corridor in W. Thrace which she had gained in the Balkan wars at the Treaty of Neuilly and it was allotted by the Allies to Greece. Bulgaria was promised an 'economic outlet' to the Aegean, but the Allies and Greece interpreted this as meaning the provinces of a Free Zone in a Greek port connected by railway with Bulgaria. Offers of this nature were made by the Allies at the Lausanne Conference of 1923, but they were firmly rejected as inadequate by the Bulgarians, who interpreted the Allied promise as giving them the pledge of an eventual territorial corridor. When the Allies found their offers rejected, they did not bother further, and Bulgaria got nothing at all. At various times the Greeks have endeavoured to settle upon the Zone and Railway basis, but have not been able to obtain Bulgarian acceptance; nor have the Bulgarians found any disposition on the part of Greece to cede a strip of territory and to sacrifice the common frontier with Turkey.

It is difficult to be dogmatic as to whether a territorial concession is the only adequate solution. The position has been complicated by the redistribution of the population in Thrace, most of the Bulgarians having returned to Bulgaria and been replaced by Greeks from Asia Minor.

Southern Dobruja was taken by Rumania in 1913 after the second Balkan war. Bulgaria regained it during the Great War but lost it at the peace, though Rumania had then no ethnical claim. The composition of the population has since been changed and Rumanian landless peasants and Koutzo-Vlachs repatriated from Macedonia have been colonised there. However, it appears that, at any rate up to quite recently the Bulgarians still formed the majority in the province.

Economically, one of the effects of the transfer was to ruin the wheat-shipping port of Varna, through which the wheat-growing Dobruja used to send its export trade, and to

reduce it to the position of a bathing-resort. Meanwhile, the former watering-place of Balcic has obtained the bulk of the wheat-trade and has blossomed out into a port. By way of entrenching in national sentiment the Rumanian claim to retain the province, the heart of the late Queen Marie has been buried at Balcic.

The Rumanians object that if they admitted the principle of territorial revision in this case they would also have to do so in Transylvania with its large Magyar population in the East. This could only be restored to Hungary together with the large Rumanian population in the intervening territory which would be fatal to the Rumanian kingdom. It would be of great value if this attitude could be modified, but our unconditional guarantee of Rumania weakens our position should we wish to influence that country.

MINORITIES

One of the perennial problems of Central and Eastern Europe is the treatment of those persons who, by reason of the mingling and irregular distribution of nationalities, find themselves living as citizens of States ruled by people of another race and language. In a short account of Balkan problems it is not possible to make a detailed analysis of this problem; but it should be borne in mind that this circumstance of the existence of minorities does create a very real obstacle to human happiness and to political stability, and any far-reaching settlement of the future affairs of this part of Europe must include some measures for the welfare of the minorities. In thinking of this problem, one recalls how the League system of protection of minorities broke down upon the sovereignty of States, and how much easier the whole problem would be to solve within the framework of a federal constitution, in which treatment of minorities was considered as a federal subject.

PROTECTION & INDEPENDENCE OF SMALL PEOPLES

Recent events in Europe have raised the fundamental issue of the relative merits of organisation in large or in small States.

A numerically small nation finds itself at a disadvantage if it is included in a unitary State of mainly alien composition, such as the former Russian, Austro-Hungarian and Turkish Empires. It is at the mercy of that section of the population which happens to dominate the whole. Discontent produced in this way led to the disruption of the Turkish and Austrian Empires, and the shearing off from the Russian Empire of its Western countries. At the present time we have a new map of Europe, and whatever its advantages, none save the

Germans, the Hapsburg legitimists, and the Hungarians desire to go back to the old system, under which Finns, Poles, Czechs, Rumanians and numerous other peoples were governed by aliens according to alien ideas. However numerous the minorities in post-war Europe, they were beyond comparison smaller than the numbers under alien rule before 1914.

This argument leads conclusively to the advocacy of small independent nation-states. On the other hand, these small States, based primarily upon nationality, but with such modifications of their frontiers from the true ethnographic lines as may be suggested by geography, ambition, or bad judgment, find themselves at a grave disadvantage whenever a powerful neighbouring State embarks upon a career of expansion. At such a time, these small countries are terribly likely to find themselves, like Czechoslovakia, deserted by the other anti-aggressive States, picked off singly, conquered and annexed.

The only method of reconciling national independence with national security is through federal union. Experience shows that Leagues and Ententes endure for a time, but sovereign States are prone to repudiate their obligations, whereupon their Leagues become impotent. The durable and dependable form of union is the Federation—a form which is exemplified by the Cantons of the Swiss Confederation, the States of North America, the Provinces of Canada, the States of Australia and of South Africa.

DEMOCRATIC GOVERNMENT

None of the Balkan States are democratically governed, as we understand that term. Albania never evolved more than the outward forms of democracy, and has now been taken over by Fascist Italy. Turkey has progressed from the absolutism of the Sultans to the rule of a Grand National Assembly, with one political party, but is in fact a dictatorship. One must appreciate, however, that the new system represents a distinct advance upon what preceded it. The other four States have all, at various times since the War been governed under democratic Constitutions; but they have found certain difficulties in working them, and are now to a greater or less extent dictatorially governed.

Bulgaria In Bulgaria, the corruption of politics and the dearth of legislative activity led to a military coup in 1934, and for four years there was no Parliament at all. The Sobranje of 1938 was elected under a carefully elaborated electoral law, which insisted upon personal candidatures, posed by men answering to certain qualifications of respectability; these qualifications included a declaration by every candidate that he did not adhere to any political party. This

scheme would appear to be a genuine attempt to combine the essentials of democracy with the suppression of the worst political evils of the former parliamentary regime; it is an experiment whose future development is worth watching.

Yugoslavia In Yugoslavia, the activities of the Party Clubs were destructive of any independence on the part of Governments or of Deputies. The abolition of the system, however, sprang from another cause, namely the violence of feeling among the regional components of the Yugoslav State. King Alexander suppressed the Skupstina in order to avoid the break-up of his kingdom. In this case, when democratic institutions were eventually restored, at least in part, an attempt was made to remedy the separatism of Serb, Croat, Slovene and Montenegrin by insisting on a wide geographical basis for every party which wished to put forward candidates in an election. This measure compelled the formation of electoral coalitions between the Serbian and the Croat Oppositions, and the dominant clique of Serbs was driven to the most violent methods of electoral coercion, quickly met by equal violence (so far as their position allowed) by the supporters of Macek. The government majority which coercion could not achieve was produced by a system of premiums in the electoral law, and by the faking of returns, so that in December, 1938, a minority of the voters was made to return Stojadinovic's Government with a large majority of parliamentary seats.

Rumania In Rumania, the corruption of the democratic regime was further complicated by the King's personal dislike of Dr. Maniu, and by the danger to any sort of freedom from the frankly Nazi and German-financed Iron Guard. In December, 1937, the 'Liberal' Government of Tatarescu failed to obtain the 40% of votes necessary to enable it to secure a large premium of seats. Tatarescu being discredited, and Maniu having the next largest party, the King demanded that Maniu should form a coalition with Tatarescu. When this proved impracticable, he passed over the third party, which was the Iron Guard, and gave Rumania a taste of Fascism through the medium of the small Fascist party of Goga and Cuza. Goga's Government made itself so much hated and feared in six weeks that the King was able to turn it out and substitute a more or less authoritarian Government under his own control, complete with a new Constitution adopted by a faked plebiscite; and this with every appearance of having restored to the Rumanians their political liberty. The new Government then acted with great publicity and vigour in the suppression of the Iron Guard, and at the same time unobtrusively but effectively strangled the activities of the democratic parties. Tatarescu and some of the former

Premiers were won over to support of the Government by being given seats on a sort of glorified Privy Council. Since then, a new single party of 'National Re-birth' has been formed, and the minorities are represented in this.

The King's actions may be summarised as averting the danger of an Iron Guard dictatorship by setting up a less harsh dictatorship of his own; in other words he cast out devils by Beelzebub!

Greece Greece had a far more highly developed political system than her neighbours; but the deep feud between the Venizelists and the Royalists led to frequent rebellions and coups d'etat, followed in each case by purges of the army and civil service of their Venizelist (or Royalist) officers. In 1936, the feud seemed at length to be in a fair way to be healed, thanks to the appeasing tactics of the restored King of the Hellenes; but when the parties after long negotiations seemed about to supply the King with a parliamentary Government, General Metaxas, then Premier, professed to perceive a danger of Communism, and established a strict and harsh dictatorship. This regime is justified in its own eyes by its ability to 'get things done' in the interests of the people at large; but is condemned by the Liberals and all other political factions for tyranny, corruption and extravagance.

Thus, democracy in the Western sense is by no means flourishing in the Balkans. But it is not at all improbable that, by a gradual process, improved forms of democracy will be evolved, containing suitable provisions to safeguard them from the operation of the deleterious factors that to some extent vitiated Balkan democracy as formerly practised.

Such are the problems of the Balkans. It is greatly to be hoped that British political action will be such as to save these countries, together with the rest of Europe, for the great improvement in human living for which all the factors are demonstrably present except that of human wisdom.

The Balkan States must federate to survive. Already four of them are united in the Balkan Entente, and the fifth has signed a pact with that Entente. If this tendency is continued, the closest possible union between all five of them will immensely strengthen their power to resist German or Italian aggression, whether economic or military. It will incidentally render easier of solution their revisionist and minority problems among themselves. Federal schemes have often been discussed; a Turkish newspaper carried an article a few weeks ago, recommending Balkan Federation. It is the solution of the future. May it come soon, before it is too late!

ECONOMIC INTERESTS IN PARLIAMENT

M. F. Joliffe¹

In order properly to appreciate the making of the parliamentary machine, it is obviously of importance to discover what interests are indirectly represented by the present members of Parliament. The following table gives a rough idea of the distribution of interests in the House of Commons after the last election.

OCCUPATIONS OF MEMBERS OF THE COMMONS, 1935

Occupations ¹	Gov. Parties	Opposition
Trade Union ²	1	117
Journalist ³	22	9
Army and Navy ⁴	16	1
Law	73	16
Church	—	3
Business ⁵	166	1
Landowner and Farmer.....	16	—
Professional ⁶	16	3
Civil Service ⁷	7	—
Stockbroker and Underwriter...	9	—
Occupations not stated.....	116	14

¹ Cf. Directory of Directors 1937 and the Constitutional Year Book 1938.

There is no need to contrast the occupations in the House of Lords since the Labour peers are, in number negligible.

² Trade Union official, miner, clerk, estate agent, engine driver, teacher, etc.

³ Journalist and author.

⁴ Regular army and navy.

⁵ Directors of companies, manufacturers, merchants, ship owners, brewers, public works contractor, etc.

⁶ Surveyors, architects, dentists, doctors, etc.

⁷ Diplomatic and civil service.

From this table, it is quickly seen that the present House of Commons is heavily weighted in the interests of the property holder.

The Conservative party, including the members who support it in essentials, can boast only 1 trade unionist, but the same group contains 166 members who are in private life directors of companies, manufacturers, merchants, ship-owners, brewers, etc. It also contains 73 members who are lawyers, 16 representatives of the regular army and navy, 7 representatives of the civil and diplomatic service and 9 of its members are stockbrokers and underwriters. Obviously this is a masters' party. 116 members of the same group do not state their occupation—from which we can infer either that they have no occupations when they are not in Parliament

¹ Miss Joliffe is Lecturer in Economics at University College of North Wales.

or that there is some special reason for concealment. It is also interesting to note that this group contains no representatives of the churches.

On the other hand, the Socialist Opposition is composed mainly of trade unionists, and boasts only one company director. The law here is much less in evidence, only 14 members do not state their occupation and 3 members represent the churches.

DIRECTORATES

Let us next examine the directorates held by members of both Houses, since there is more information with regard to these than to other titles to property and income.

DIRECTORATES HELD IN BOTH HOUSES IN 1935

No. of Members with	Com-mons	Lords	No. of Members with	Com-mons	Lords
1 Directorate	78	76	14 Directorates	2	1
2 Directorates	24	57	15 „	—	2
3 „	14	36	16 „	—	2
4 „	19	17	17 „	—	4
5 „	18	17	19 „	—	1
6 „	9	13	21 „	1	—
7 „	4	8	22 „	1	1
8 „	4	6	24 „	1	—
9 „	2	4	25 „	—	1
10 „	1	6	27 „	1	—
11 „	—	4	28 „	—	2
12 „	2	3	29 „	—	1
13 „	1	1	34 „	1	1
			54 „	—	1

We would like to ask members of the House of Commons with from 10-34 directorates how they find time to attend to them. The House of Lords of course gives more opportunity, since it sits on an average for 1 hour per day, but even so some members with from 10-54 directorates must be neglecting something.

There might well be a case, upon enquiry, for some legal restriction on the outside activities of M.Ps.

CLASSIFICATION OF DIRECTORATES

It is also of interest to examine the directions in which these numerous directorates are spread. The following tables give broad classifications.

HOUSE OF COMMONS' MEMBERS AS DIRECTORS

Per cent. of Total No. of Directorates	No. of Directorates Per cent. of Total
Building ¹13	Entertainments ³4
Gas, Water and Electricity.....12	Coal4
Finance ²9	Drugs ⁴4
Insurance9	Textiles3
Railways6	Rubber3
Gold Mining.....5	Brewing ⁵2
Iron, Steel and Engineering...5	Motor Cars and Canals ⁶2
Publishing5	Aeroplanes2
Wireless, Telephones and Cables4	Oil1
Shipping4	Trade ⁷—

1-7. For details see footnote to table on page 30.

HOUSE OF LORDS' MEMBERS AS DIRECTORS

Per cent. of Total number of Directorates	Per cent. of Total number of Directorates
Finance ²25	Iron, Steel and Engineering...3
Insurance17	Brewing ³2
Gas, Water and Electricity8	Motor Cars and Canals ⁶2
Oil8	Gold Mining.....1
Shipping8	Drugs ⁴1
Building ¹6	Entertainments ³1
Coal5	Rubber1
Railways4	Textiles1
Wireless, Telephones and Cables3	Aeroplanes0.4
Publishing3	Trade ⁷—

¹ Building—building and allied industries and land development companies.

² Finance—Banks, investment companies and trusts.

³ Entertainments—cinemas, theatres, hotels, greyhound racing.

⁴ Drugs—chemists, sellers of pills and patent medicines.

⁵ Brewing—beer, wines and allied spirits manufacture.

⁶ Motor cars and canals—omnibus and canal companies and motor manufacture.

⁷ Trade—retail shops and retail trading companies. (N.B. negligible quantity).

Note that 31% of the total number of House of Commons directorates (about 700) and 18% of the total number of House of Lords directorates (about 1,100) are not included in the above tables as these were not so easily classified. That is, about 200 in each House are not classified.

It appears that the members of the House of Lords, apart from their well-known interest in land, are also very active in the ownership and control of industry, and it is obviously a mistake to think of them as landowners pure and simple.

But what is specially interesting about the tables is the light they throw on the relative importance of various economic interests in both Houses. The following table based upon them gives the direction in order of priority.

DISTRIBUTION OF ECONOMIC INTERESTS IN THE HOUSES OF PARLIAMENT

House of Commons	House of Lords
1 Building	1 Finance
2 Gas, Water and Electricity	2 Insurance
3 Finance	3 Gas, Water and Electricity
4 Insurance	4 Oil
5 Railways	5 Shipping
6 Gold Mining	6 Building
7 Iron, Steel and Engineering	7 Coal
8 Publishing	

It is probable that a couple of centuries ago, the ownership of land would have been the dominant interest in both houses. To-day, speculation in building and takes prior place in the Commons, followed by financial interests. In the House of Lords, about 27% of the members are directors of companies, and finance and insurance come first in the list of directorates with industrial interests following. Such a situation well illustrates the power which to-day is displayed by money rather than by other forms of property.

We do not know on what grounds other than titles and property many of these people appointed to directorates are chosen. We fail to see, for example, what certain noblemen can possibly know about banking; but we can safely say that the 13 millions who voted for their masters in 1935 and who support the House of Lords must have touching faith in them. Those who are not so confiding are bound to come to unpleasant conclusions. It is little wonder that all Bills for the improvement in the workers' standards are partially blocked in the House of Commons and finally blocked in the House of Lords. When we consider the interest taken in these Houses in speculation in building and land, is it to be marvelled at that on the government side there is little appreciation of nationally-financed schemes for housing the people? What hope, we ask, in view of the interests so powerfully represented in Parliament, is there for schemes for the Nationalisation or even control of power, communications, industries, banks, etc.?

One writer of the early English School of Socialists said in a book, published in 1832, that:

the law is a great scheme of rules intended to preserve the power of government, secure the wealth of the landowner and capitalist.

It appears to be so still and when we appreciate who are the law makers, we see why.

As much as in the first half of last century, we need a charter and the aim still is—government of the people by the people for the people, and not for financial and industrial interests.

NOTE.—A more detailed analysis of the occupations of Labour M.P.s has been prepared, and is given below for purposes of comparison with that of Mr. Jolliffe. In this analysis, several members figure more than once—for example, one member may well be both a journalist and a trade union representative, and in this case would be classified under both heads. The totals therefore cannot be strictly compared with those in the main article.

OCCUPATIONS OF LABOUR M.Ps.

T.U. Officials	52	Landowner and Farmer	1
Miners	35	Journalists and Authors	8
Clerks and Shop Assts.	17	Army and Navy	2
Railwaymen	11	Business	14
Operatives	35	Law	16
Engineers	12	Church	4
Seamen, Dockers, etc.	6	Doctor	1
Teachers and Dons	15	Dentist	1
		Surveyor	1
Total	183	Total	48
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Party Officials and Secs. of Political Organisations.....	7		
Co-operative Members and Officials.....	16		
		Total.....	23

NOTES ON BOOKS

I

OUR FOOD PROBLEM by F. LE GROS CLARK and R. M. TITMUSS (Penguin Special 6d.).

This very sensible book goes to the root of a fundamental question—how well are the people of this country prepared to stand the physical and psychological strain of a war and how could they be fed if war broke out? The discussion ranges over the stamina of the people, the possibilities of submarine warfare and the convoy system as a method of protection, the expansion of home agriculture in peace and war and the organisation of the food trades. The book is vigorously written and very readable.

C. G. P. S.

POPULATION AND FERTILITY by D. V. OLASS and C. P. BLACKER (Population Investigation Committee 3/-).

A lucid and concise essay on the mechanics of population growth. The authors show how the data available under the Population (Statistics) Act, 1938, will be used to analyse problems of fertility hitherto insoluble. Population statistics are given in summary form for eleven countries, and a cautious though reasoned statement is made on measures which might be adopted to counter declining fertility.

L. G.

FIFTY YEARS OF THE L.C.C. by S. P. B. MAIS (C.U.P. 4/6).

A light and readable sketch of the present and past doings of the L.C.C. since its formation, although in parts a curious admixture of facts, statistics and running commentary. It is hardly a book of reference, and certainly not a historical treatise. It is a simply worded record of the services which make up London's government, giving a picture of their importance and well-illustrated. As an introduction for those who want to study the subject it forms a useful preliminary compendium.

H. F.

MEET THE PRISONER by JOHN A. F. WATSON (Jonathan Cape 8/6).

As Hon. Secretary of the Prison Visitors' Society the author has had long experience of prison routine unaffected by official or convict bias. His historical survey forms an essential background to the whys and wherefores of to-day's system. He sees the defects, the inevitability of gradualness in the solution of some, and the silly delays in remedying others. One of the best objective contributions to the subject.

H. F.

THE GOVERNMENT & MISGOVERNMENT OF LONDON by Dr. W. A. ROBSON (Allen & Unwin 12/6).

Popular opinion has hardly begun to understand yet the difficulties which have been created by the haphazard growth of London and of its machinery of government, although irritation is produced from time to time by the lack of adequate transport facilities, and fears have been aroused by the obvious dangers of an air attack on such a large concentration of population. Dr. Robson's book collects the facts and clearly states the problem as a whole. It is to be hoped that all those interested in London and its government will read this book and think about its constructive suggestions.

J. P.

POPULATION PROBLEMS OF NEW ESTATES by NORMAN WILLIAMS (University Press of Liverpool 1/-).

A housing estate must be more than a collection of new dwellings. It should be planned as a ready-made community where the amenities of a social life are available. Changes in age distribution will render obsolete many amenities provided. Tenants must therefore be selected so that such changes are minimised, and dwellings of various type built to meet their needs. In this excellent pamphlet the above principles are illustrated by reference to the Norris Green Estate, which shows all the defects of short-sighted planning.

L. G.

REPORT ON THE GAS INDUSTRY IN GREAT BRITAIN. (P.E.P. 10/-).

A very useful study in what has been a neglected field—British Public Utility Services. The Report argues that the British gas industry stands in urgent need of reorganisation, to reduce the present multiplicity of small independent units of supply, and to secure effective co-ordination on technical and commercial policy. The method proposed is regional co-operation and central planning within the industry, on a voluntary basis.

How far such planning can go, without statutory powers and public control, is doubtful. Certainly it would seem inadequate to meet the single basic problem of planning in the gas, coal and electricity industries—the utilisation of fuel for maximum social and economic efficiency.

P. C.

WORLD FINANCE, 1938-1939, by PAUL EINZIG (Kegan Paul 12/6).

The latest volume of Dr. Einzig's International Finance Year Book deals with the adventures of the franc, the economic consequences of appeasement, re-armament finance in totalitarian and democratic countries, the dollar scares, and other depressing financial events of the year. Everything is written in Dr. Einzig's usual confident and readable style. He makes the forecast for Britain in 1939 that 'the reduction in civilian requirements, which may take place as a result of the revival of war scares will probably more than offset the additional employment created by the acceleration of re-armament.' This will be due to continued slackness in re-armament. Casual reasoning rather spoils the book for serious readers.

C. P. M.

CONTROL OF INTERNATIONAL TRADE by HEINRICH HEUSER (Routledge, 12/6).

A careful and comprehensive study of the control of international trade and of the administrative problems arising therefrom. Its scope is restricted to European experience (excluding that of the USSR) and its attention is concentrated on quotas and currency measures.

The problem is approached from the technical rather than the theoretically economic point of view, but there is nevertheless an important chapter on *The Theory of Quantitative Import Control*.

J. T.

MUNICH AND THE DICTATORS by R. W. SETON-WATSON (Methuen 5/-).

A withering indictment of Mr. Chamberlain's 'appeasement' policy, based on intimate knowledge of the circumstances and personalities involved in the Czech crisis. The author's account of the pressure of Britain and France on the Czech Government, and his summary of Russia's statements (which he considers an unambiguous offer to stand by her obligations) should be digested by those who have any doubts as to the completeness of the betrayal of Czechoslovakia by Britain and France. In the appendix he publishes an important document—the Czech reply to the Anglo-French ultimatum of 18 September, which these Governments have not had the 'common fairness' to publish. The book ends on a plea for a Peace Front and an alliance with Russia in defence of free institutions. It is interesting to note that up till the resignation of Mr. Eden, Professor Seton-Watson defended the National Government's foreign policy.

H. F. C

UNION NOW by CLARENCE STREIT (Jonathan Cape, 10/6).

A book which ought to serve as the common ground of work for all the societies and movements which are seriously seeking peace. The author adopts the proposition that State Sovereignty renders real justice between States impossible, and consequently leads to war, economic dislocation, and restriction of individual liberty. The difficulty of erecting a Federation lies solely in the unwillingness of the States to sink their sovereign independence; but that this difficulty can be overcome is shown by the example of the revolted American colonies. The free democratic countries are at one and the same time the easiest collection of States to federate, because of the similarity in their outlook, and form also a group which, by reason of its tremendous economic and military Power could (once bound together) defy any combination which might attack it. Such a Federation could rule the world in peace and justice, and admit to its fellowship any State which was prepared to accept the Federal Constitution.

V. R.

ECONOMICS OR POLITICS? by PAUL VAN ZEELAND (C.U.P. 2/6).

A stimulating lecture by the one-time Prime Minister of Belgium on the economic background of international relations.

M. Van Zeeland reiterates the proposals of the Van Zeeland Report as a tentative solution of the deadlock in international trade, but his introductory remarks on the dominance of political over economic motives in this field lead one to doubt the validity of his optimism.

J. T.

HEALTH AND NUTRITION IN INDIA by GANGULEE (Faber and Faber 12/6).

This is an extremely comprehensive account of its subject, well arranged and written. It contains a general account of the knowledge of nutrition; and a survey of health conditions in India which should shake the most complacent of our Imperial race. In addition, it describes and assesses the nutritional value of the diets of different parts of India and makes proposals for improvements. Throughout India is set in a world background and the developments of nutritional science in countries provide an illuminating contrast.

C. G. P. S.

INDIA'S NATIONAL INCOME: 1925-1929 by V. K. R. V. RAO (Allen and Unwin 6/-).

A competent survey of a difficult field, where statistics are inadequate and conjectural estimates abound. This book strikingly confirms the conclusions of most Indian economists that India's hope lies in greater production for a smaller number. True, since 1929 there has been a notable increase in production (e.g. cotton, wheat, sugar), but it is likely to have been offset by the phenomenal growth of population. The moral is plain. The figures in this book suggest the tragedy behind that depressing phrase—'Oriental standing of living.'

K. K. M.

